

Libertarian Party State Chairs Conference



**Houston IAH Airport Hyatt
February 22-23, 2003**

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Enhanced by

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Preamble

By Bob Sullentrup, MO Chair

This year's state chair's conference reflected a degree of maturation over the previous two conferences.

The 2001 conference in Indianapolis, our first in this series, was one in which participants got to know one another. We got a sense of which states were progressing well and had scored successes in various areas. Those states inspired the others who were struggling or just getting started. The contacts we made at that conference benefited MO, for example, when it came time to find mentors for our radio advertising initiatives (MI and ME).

The 2002 conference in Nashville provided all the benefits we accrued in Indianapolis and more. The prepared presentations delivered a wealth of information and then were supplemented with first-hand experience from the field. We opened up the phone lines and let people talk. From those discussions a pattern emerged: The message at that conference was to use "high touch in addition to high tech – talk to people and don't be afraid to ask for what you want".

The first inkling that we would have progressed that much further this year came from the multi-page survey distributed before the conference asking for income statements, press release counts, website statistics and so on. We are now focused on the LNC strategy with its six goals and 20 strategic items.

This was a definite maturation. At last year's conference we would have listed the attributes and practices of a well-run LP affiliate. At this year's conference, we proceeded to measure ourselves.

As a result, we moved to a "nuts and bolts" convention. Rather than reporting on isolated successes built on independent initiatives, we covered topics such as branding. This is a coordinated, focused, sophisticated and forward-looking template that promises to change the tenor of our message and forces us to step out of our issues-based methodology into the language of a constituency group. Who knows how that will turn out, but for the time being it has injected hope, direction and vigor.

As several indicated in the wrap-up as well as Harry Browne at the Indianapolis Convention, it is great to spend our time with like-minded Libertarians. We share the common bond that we are not fooled by government pronouncements, and we understand that coercion where unnecessary leaves us worse off.

Throughout history, not many people have ever understood that. But I'm glad Thomas Jefferson and I do, as well as the rest of the folks in that room. I was pleased to be among them.

Attendees and Introductions

After the group reaffirmed Mark Nelson as the meeting chair, a question raised by NH Chair John Babiarz, the group approved the agenda.

34 representatives from 29 states participated in the conference. The participants and selected comments they made include:

- AL - Jeff Allen, Vice Chair, reported a record 58 candidates ran for office.
- AR - Robert Reed, Vice Chair, said their efforts are gaining access to legislators.
- AR - Gerhard Langguth, outgoing Chair, said 12 volunteers collected 108,000 signatures, 15% of voters, to put a food tax amendment on the ballot. Unfortunately, the ballot initiative failed 300k to 400k.
- AZ - Jason Auvenshine, Chair, stated the LP participated in a hotly contested gubernatorial race, and obtained good coverage through the televised debates.
- CA - Aaron Starr, Chair, noted CA elected 29 people and has a profit to report.
- DE - George Smith, Chair, reported successes stemming from its newsletter.
- FL - Michael Gilson De Lemos, Secretary, noted FL's "Florida Liberty" publication, and the LP's 14% in house races. A total of 500,000 people voted Libertarian in FL in 2002.
- FL - Doug Klippel, Chair, was present.
- IA - Mark Nelson, Chair, chaired this meeting and did not report IA highlights
- ID - Ted Dunlap, Chair, noted the state's membership growth, now up to 150 members, and a 22% showing for Secretary of State. Ted has sights on 2006, aiming to leapfrog the Democrats.
- IL - Austin Hough, Chair, reported IL got on the ballot for the first time since 1994 despite a stiff Republican challenge. The LP got an endorsement from the Chicago Tribune and Sun Times in a three-way state rep race.
- IN - Mark Rutherford, Chair, reported IN has had ballot access for three cycles.
- IN - Brad Klopfenstein, Executive Director, reported Libertarians were appointed to the committee for the "Help America Vote Act".
- KS - Steve Rosile, Chair, was present
- LA - Charles Sallier, Chair, reported LA fielded its largest slate of candidates ever.
- MN - Kevin Houston, Chair, stated MN has been able to maintain its party infrastructure despite challenges.
- MO - Bob Sullentrup, Chair, reported MO fielded its greatest number of candidates ever, maintained its infrastructure despite resignations, made inroads in collaborative political efforts outside the party, and retained ballot status.
- MO - Greg Tlapek, Executive Director, was present.
- MT - Mike Fellows, Chair, noted a parking meter issue in Missoula attracted media attention, and the party now has a website. They have been doing public access television since '95.
- NC - Sean Haugh, Executive Director, pointed to their "Ladies of Liberty" calendar featuring Rachel Mills. NC elected six people to office.

- NC - Barbara Howe, Chair, noted a bill to have third parties pay filing fees indicates the opposition feels threatened by us.
- ND - Keith Hanson, Chair, noted ND fielded a city council candidate in Fargo and now has a website.
- NH - John Babiarz, Chair, reported inroads on major TV in gubernatorial debates, and now certain party members have an open door at the current Governor's office.
- NV - Brendan Trainor, Chair, reported a success with petitioning to get back on the ballot .
- NY - Bonnie Scott, Secretary, noted NY's novel "guns for tots" giveaway in Harlem, a media sensation.
- OH - Dena Bruedigam, Vice Chair, noted OH's efforts have been particularly challenging, though it has a new web person, and will bring Neil Boortz to its convention in May.
- SC - Charles Williams, Chair, mentioned his state broke the color barrier by having run a black female for office.
- TN - Ray Ledford, Chair, noted the LP's participation in TN's anti income tax protest
- TX - Bob Lockhart, Treasurer. Although losing ballot access, TX ran a record number of candidates in 2002.
- UT - Cabot Nelson, Chair, reported UT has kept its ballot access and hired an executive director.
- VA - Shelly Tamres, Vice Chair, stated the VA LP was able to get an election law changed in the state.
- VA - Marianne Volpe, Chair, noted its increasing ranks of volunteers..
- WI - Jeremy Keil, Executive Director, noted gubernatorial candidate Ed Thompson received 10% of the vote in 2002. A recent drive netted 25 new members and \$2,500.
- WV - Richard Kerr, Chair was present.

Attending as adjuncts were:

Dr. Scott Lieberman, LNC Alternate, San Jose, CA
 Phil Miller, Greenfield, IN
 Mark Schreiber, marketing director, national staff
 George Squyres, LNC member, AZ
 Rick McGinnis, TX
 Christopher Loyd, Houston, TX
 Kurt Gibby, a Houston local who "just showed up" (gcgconsult@n-star.com)
 Conrad (Ed) Hoch, LNC member, AK
 Betty Hoch, AK
 Ron Crickenberger, Political Director, staff, VA
 Mike Dixon, LNC member, now of Charlotte, NC
 Carl Milsted, NC
 Joe Dehn, LNC member, CA
 Steve Dasbach, campaign manager for Gary Nolan for President
 Dianne Pilcher, staff
 Steve Givot, LNC Secretary, CO

Nancy Neale, more than a chair's spouse, worked for Ed Clark for Governor in 1978
Geoff Neale, LNC Chair
Monica Granger, TX
R. Lee Wrights, LNC member, NC
Royce Mitchell, TX
Susan Mitchell, TX

LP presidential candidates also attended including:

- Gary Nolan, Libertarian syndicated radio talk show host from Cleveland
- (Judge) James P. Gray, former Republican dedicated to ending the failed War on Drugs from Orange County, CA (LA area)
- Michael Badnarik, from Buda, TX (Austin area), a Constitutional expert who offers classes and who is dedicated to promoting Liberty
- Dan Weiner of the Ad Hoc Conspiracy to Nominate L. Neil Smith, who said L. Neil Smith would run if drafted.

To sum, Mark Nelson noted positives and negatives of the round-robin report of the chairs:

- A reluctance of some chairs to assume their duties, however understandable
- Lack of breadth or depth of state organizations
- Infighting
- Ballot access – losing and gaining
- Electoral victories and losses
- Broadening of membership profiles to include minorities
- Declining membership and money
- Increasing party recognition

Mark Rutherford (IN) led a moment of silence for departed TN chair, Richard Pearl.

Financial Situation, Geoff Neale

LP Chair Geoff Neale reviewed the Party's financial situation. While our current financial situation is not good, it is much improved since the convention.

The following factors adversely affected the LP's financial situation over the last 18-24 months.

- 9-11
- The anthrax scare delaying business reply envelope processing, a low priority for the US Mail
- An Archimedes-style mailing that generated few members or revenues
- New member recruiting money drying up, thus membership declining
- Adding new staff in the face of declining revenues
- Major donors, many of whom came on board for the Harry Browne campaigns of 1996 and 2000, evaporating
- A 2002 convention that lost money rather than break even

In addition, Geoff said certain items such as vacation accruals that must be paid when staff members are released, are not updated until the auditors issued their report. This “audit delay” overstated the LP position by \$90k.

All of these factors converged in July 2002.

Since Aug 2002 the LP has reduced expenses by \$28k per month and delayed Unified Membership Program (UMP, a revenue sharing program between national and most states) payments.

Geoff reported the LP’s choices were:

1. Not print *LP News*
2. Shut the doors
3. Delay the UMP payments

Certain other managerial choices were also not available, such as borrowing. The LP does not own any real estate collateral to borrow against, for example. Moreover, loans by individual donors are considered contributions and are limited to \$25k by campaign finance laws.

Geoff expects / hopes to catch up on UMP payments by July 1, 2003.

The most common cost saving suggestion Geoff hears is for the LP to move out of the Watergate. If the LP does that, tons of literature with obsolete addresses would have to be discarded. Moreover, internal studies by LP realtors including Mark Nelson have reaffirmed the office rental expense is competitive for the DC area.

Meanwhile, the new campaign finance legislation embodied in BCRA has generated a flood of requests for rulings. Among those are the LP’s requests concerning “sublease” arrangements. The LP is unwilling to risk proceeding with sublease arrangements now for fear of having to defend or pay a penalty for a misstep.

Meanwhile, the group commended Geoff and the LNC for stepping in and handling the financial situation.

Core and Critical Activities, Dianne Pilcher

Mark Nelson framed the discussion by noting the Strategic Planning Team (SPT) of the LNC identified six core goals and 20 strategies as a means of the LP fulfilling its mission.

In particular, Goal 2 Strategy 4 calls for strengthening state and local organizations. Dianne Pilcher surveyed the 51 affiliates in an effort to establish baseline metrics.

27 affiliates responded to the survey that included four sections:

1. Statistics available from national
2. Statistics available from states
3. State financial information
4. State narratives

Of the 27 respondents:

- 93% have newsletters
- 78% respond to inquiries
- 74% issue press releases
- 63% have had a least one direct mail fundraisers
- 59% have a methodology to track legislation
- 52% have a membership renewal program
- 48% have a methodology to generate inquiries and new members
- 37% have a pledge program
- 26% have a speakers bureau or other outreach
- 26% have internal education (candidate training, workshops)

Of all 51 affiliates (info gathered mostly by LP interns)

- 55% have credit card capabilities both on and offline
- 45% have an online newsletter
- 45% have an email announcement feature
- 43% have a link to the national site from their site for the joining process
- 27% accept credit card donations online

Admittedly, this information is incomplete and inaccurate (in MO, this request for information competed with work, family and other LP activities, and did not receive the full measure of attention it required). Dianne committed to updating it as states provide updated information.

Complete details are available in a conference handout.

Meanwhile, the results of this survey serve as a baseline metric for where we stand in Feb 2003. “That which is measured, improves” is a business caveat.

Meanwhile, Kevin Houston of MN wanted to know of a “best practices” manual.

At first the group thought the survey data might identify those states with “best practices” for particular activities. Further discussion revealed the need for “mentoring” among states. Upon further reflection, Dianne should not do “our work”.

The group failed to identify a methodology or volunteers to assemble a “best practices” manual, although this will likely be handled by a newly forming Alliance of State Chairs under the guidance of Sean Haugh.

Perhaps that could be arranged by web postings followed by a summarization.

Who’s enrolled in this project? We look for a leader and a committee. Post your responses on the state chairs’ list.

Organizational Knowledge and Succession Planning

The group addressed capturing knowledge and passing it on to successors.

Jeremy Keil said past chairs are automatic members of the WI executive committee.

Mark Rutherford holds IN county chairs meetings similar to the state chairs meetings as a means of familiarizing a large body of state Libertarians with practices and procedures.

Aaron Starr (CA) wanted to know if any states staggered the terms of officers or had nominating committees. Certain states, however, are constrained by statutes that prescribe terms.

MN has taken an intermediate step of consolidating records and documents.

Bonnie Scott (NY) is trying to develop a strategic four-year plan that would provide continuity.

FL, WA and IN have training manuals for state chairs and other officers.

Ted Dunlap, ID, pointed out that we could avail ourselves of the “best practices” analysis mentioned in the previous section. This would be based on the information that Dianne compiled in the “Core and Critical Activities” survey responses.

Brainstorming, Shortcomings of States

Continuing in the same vein as Dianne’s survey, the following states reported:

- Those who respond well to inquiries include: FL, TX, AZ, MO, OH
- Those with programs in place to generate inquiries: FL
- Those with programs to prospect for new members: WI

- Those with programs to renew memberships: IA, WI, FL, NH
- Those with programs to track legislation: FL, IN, AZ, NH, MN, MT, WI, NC. Although VT was not in attendance, Dianne reported VT's "Legislative Watch" as a model for other states.
- Those with successful e-mail, online chat rooms, list servers: IN, ID, AZ, MO, TX, NY*, MT, WI. (OH has stopped)
- Those with outreach programs: FL
- Those with internal education programs: NC, DE, FL

*NY qualified its response on email success – NY is able to conduct state committee business online without in person meetings or balloting by mail.

Please note these states were self-selected. Accordingly, what qualifies as a successful methodology in one state might be substandard in another. Your mileage may vary.

Ted Dunlap, ID, reiterated the desirability of a list of best practices by state as a means of sharing expertise, mentoring and jumpstarting states.

CA promotes and enhances volunteer efforts through a recognition and awards committee. Moreover, Aaron Starr (CA) plans on publishing evaluations of local chapters in the State newsletter as a means of applying peer pressure to enhance performance.

The discussion also addressed national's role in lending assistance to state affiliates.

Several mentioned national should assist by developing brochures and handouts. Dianne Pilcher noted that national is updating brochures as they exhaust existing stock and retire brochures.

Austin Hough (IL) advocated we abandon philosophical brochures in favor of candidate brochures. This met with some disagreement, though, as upcoming branding efforts may spur the creation of new brochures.

Training is another possibility for national's assistance involved training programs. Another person mentioned web services and data integration using XML.

Gerhard Langguth (AR) recommended national influence legislation in DC and not publish *LP News*. This recommendation met with opposition owing to the LP's inability to gain inroads with any members of congress.

Austin Hough (IL) also recommended national concentrate on national races, though this was met with some disagreement.

Other items included

- Focusing on federal races for president, senate, and the house
- Providing a clearinghouse for best practices
- Providing information such as with the BCRA

- Be a clearinghouse for ideas and perform as a template for state organizations.

Membership

Goal ten of the LP's strategic plan is to increase its support base including members, contributors, and volunteers.

Mark Nelson asked the group to focus the discussion on these three items. Others, however, wished to broaden the issue to include voters and perhaps voter registration activities.

Aaron Starr (CA) tried to resolve the issue by asking, "Who is our customer"? Aaron's answer was to say "He who is willing to pay the freight". This spurred some to suggest "investor" would be a better term.

Mark tried to bring the group back by drawing a distinction between an electoral process versus an organizational process, which was the topic at hand.

Steve Givot introduced a technique called "intentional dialog" which the LNC SPT (Strategic Planning Team) had used to understand opposing positions, identify points of common agreement and identify areas for research. The process involves "mirroring" in which one party plays back what the other person said until the first person agrees that what the second person played back matches what the first person said.

"Most of the time we are thinking about our response," said Steve, "rather than listening. Our minds are single threaded processors".

Mike Dixon and Phil Miller performed a quick vignette as an illustration of the process.

The keys to the process are the phrases "What I heard you say was ..." by the receiver followed by "Was I correct"?

If "no", then the process iterates. If "yes", then the receiver asks, "Is there more"?

Author's note: *The Heisenberg Uncertainty Principle applies here. Just as it asserts it is impossible to simultaneously determine the location of an atom and its velocity as a result of the interference from the detection, so too was it impossible to record the exact words of the participants in the exchanges that follow.*

The written text of the senders is abundantly apparent when presented in readable and reviewable form. When spoken in the air and then with the words suddenly vacant, the dynamic changes distinctly. Accordingly, 1) do not assume the exact text of the senders is transcribed here with perfect fidelity and 2) remember the receivers were unable to avail themselves of the immediate playback and correction mechanism that prepared text as presented here provides.

Mark Rutherford (IN) and Aaron Starr (CA) paired off on the question: “Should the LP continue to follow a membership model with dues – is it an asset or an impediment”?

(IN) Mark Rutherford (sender)

(CA) Aaron Starr (listener)

Mark: *The membership model is an impediment and serves to exclude LP-leaning activists*

Aaron: *What I'm hearing you say is ...did I get it?*

Mark: *Yes.*

Aaron: *Is there more?*

Mark: *There is no difference in terms of activism and dedication between LP activists who sign the pledge versus those who do not.*

Aaron: *(mirrored)*

Mark: *There is no difference between LP activists who give \$25, versus those who give but don't join the party.*

Aaron: *(repeated twice)*

Mark: *(rephrased) Considering non-members who are active, versus joiners who are active, there is no difference between them in terms of their activism.*

Steve Givot, the facilitator, jumped in: “Among givers, there is no difference in activity between members and non-members”

Aaron: *More?*

Mark: *None.*

Steve summarized Mark's points:

- A membership requirement excludes activists
- There is no difference between those members who give and are activists versus those who are not members and are activists
- Being a member doesn't seem to affect levels of activism.

At this point, Aaron and Mark reversed roles of sender and receiver.

Aaron: *People who give money are more likely to become active than those who do not.*

Mark: *(mirrored), Did I get it?*

Aaron: *No. (repeated)*

Mark: *Now did I get it?*

Aaron: *Yes.*

Mark: *More?*

Aaron: *Those who give money tend to be more active.*

Mark: *(mirrored and got it), more?*

Aaron: *Yes. Those who get a membership benefit are more likely to give.*

Mark: *(mirrored) Did I get it?*

Aaron: *Not quite. Our offering membership status for money is more likely to get us more money rather than not*

Mark: *(mirrored) Did I get it?*

Aaron: *No. For a new person who's never given, offering membership as a benefit increases the likelihood they will give money*

Mark: *(mirrored, and got it)*

Aaron: *Offering membership increases likelihood they will give us an initial gift.*

Mark: *(mirrored, and got it) More?*

Aaron: *Offering the benefit of a membership increases the likelihood that someone will give and will increase the likelihood of someone becoming active.*

Mark: *(mirrored, and got it) More?*

Aaron: *Conversely, not giving somebody the benefit of a membership reduces the likelihood of someone giving for the first time, and thus less likely to give at all.*

At this point, Steve Givot noted this process helps:

1. Understand each other
2. Identify areas of agreement
3. Identify areas of disagreement for which additional research or information could help test and resolve.

Steve clarified a point of agreement:

- “Contributor” is the focus, not “membership”

Next Steve called for individuals to relate anecdotal and personal experience on whether membership actually “primes the pump” or “creates a threshold barrier”.

Aaron Starr (CA) used this time to clarify that his use of membership was as tool rather than a requirement. If you ask them to be a supporter, you can offer them a “free upgrade” in the future at no incremental cost.

Moreover, CA tends to get its activists thru personal contact, not through membership campaigns in the mail. Also, Aaron noted that activism didn't decrease when membership decreased.

Someone else asked, “Are we a political party or a membership organization”?

Summary Agreement:

1. We should focus on our support base
2. Membership is an option, but not the only tool in the box -- flexibility is key
3. By almost every other metric than membership, we are doing phenomenally well
4. Many states got more members when they ran more candidates (IN, AL, ID, MN). Some, however, did not (CA, TX)

Branding the Libertarian Party, Mark Schreiber

Strategy One calls for defining, developing and promoting the LP.

Mark Nelson framed this discussion by asking the attendees to assess whether “establishing an LP brand would be beneficial to the party”.

Mark Schreiber of the national staff noted, “We have the best political product and the worst marketing. Our brand is defined by the best AND the worst things associated with it, and every little detail in between”.

Mark has 25 years of marketing experience in many industries and has run for Lt. Governor. *Mark thinks we could dominate a state by 2008.*

In order to do that, the LP needs to create a brand. We would “encapsulate what we are in a positive way, so people hear what we have to say”.

In order to create a brand, you must:

1. Know who you are
2. Know why you exist (why are we here? – we do have a mission statement)
3. Know who you serve

All are equally important.

Who we are:

Libertarians are principled individuals, who are self-reliant, and who have reluctantly entered into the political arena in order to restore liberty and our American values.

Why we exist:

To move public policy in a libertarian direction, by building a political party that elects Libertarians to public office.

Who we serve:

A core constituency for the LP has not been identified.

Mark noted that protests, such as our tax day activities, don’t work. “You have to get on the inside, prove you’re credible and push their hot buttons”.

A “constituency” Mark defined as a clearly defined group of people

- Who can self-identify and
- Who are easily classified as a member of a group with homogeneous characteristics,
- Who have a vested interest, and
- Who lend credibility to the successful accomplishment of organizational goals.

Mark also shared results of surveys he conducted this past summer among members, lapsed members and inquiries who did not join the Libertarian Party. Among members and former members in the “Reasons why I joined the LP”, the top responses were:

- To make a difference, to build the Party, to have my ideas heard: 34.3%
- To be with people who believe as I do: 19.4%

Once we get members into the Party, members become more libertarian.

At the same time, Mark noted that issues always divide us. The following table depicts a wide distribution of Libertarians on particular issues.

Issue	Importance	Percent in agreement
Taxes and spending	82.9	63.3
Drug prohibition	65.3	85.0
Gun rights	65.3	66.2
Social Security	61.5	93.1
Education	60.1	69.3
Foreign Policy	55.2	43.9
Healthcare	52.5	84.0
Foreign trade	37.7	69.6

The above group represents the opinions of 1,191 members.

The table below depicts the opinions of lapsed members:

Issue	Importance	Percent in agreement
Taxes and spending	79.5	55.5
Gun rights	68.2	65.4
Social Security	62.4	65.4
Education	60.9	57.7
Drug prohibition	58.9	78.6
Foreign Policy	55.2	43.9
Healthcare	49.3	77.6
Foreign trade	42.4	63.2

“Reasons why I left the LP”. The top responses were (multiple choices allowed):

- LP Scandal 36.9%
- LP not effective 23.9
- I’m not Libertarian after all 17.4
- LP’s response to 9-11 10.9
- LP is too anarchist and negative 8.7
- LP’s Drug War position 2.2

From these data, Mark concluded:

Picking one issue is self-defeating. An issue-based strategy is a losing strategy because it divides us. Even on issues upon which we agree we will have those who wish to see a different issue as our focus or who wish we would present “the” issue in a different way. Candidates best present issues. Our effort at the national level is to afford candidates the most flexibility in choosing which issues to use. Thus continuing the drug war focus strategy is in conflict with a constituency-focused strategy, while a constituency-focused strategy allows us to present our position on the evils of the drug war and/or our positions on all of the issues

Why do we need a constituency?

It defines whom we represent so we can present a message of benefit to someone other than ourselves.

As an illustration, Mark said, “Suppose we told the teacher ‘Tommy is a bully’”. The teacher would not do anything.

Suppose we told the teacher, “Look at Billy, Tommy pushed him down and broke his glasses”. The teacher would intervene. “We need to find our Billy”.

A constituency:

- Mirrors who we are
- Is well liked and respected as a group. No negatives.
- Is large enough and important enough to be meaningful.
- Does not already have a champion in the political arena and needs one.
- Has an inherent understanding of its vested interest in our success. Even if they are not active members, they should fundamentally share our philosophy of governance.
- Brings credibility to the LP
- Affords an opportunity to address “our” issues on their behalf, or from “their” point of view, or ideally both, without alienating non-constituencies.
- Brings a base level of support.

Certain prospective constituencies Mark dismissed because they failed the test of a good constituency:

- The “Taxpayer” – too broad. People think others pay more taxes.
- The “Peasant taxpayer” or the “Slave taxpayer” still not “self-identified”

Recall a constituency is a clearly defined group, who can self-identify, or be identified, who have a vested interest in our success, and who lend credibility to our mission.

A constituency is a two-way street. We have to define what they get from us before we can develop a vested interest in our success among them.

“Find a parade, and get in front of it, then it becomes your parade”.

Mark says we don't have enough funds for two constituencies. To start he recommends the:

SMALL BUSINESS OWNER.

Another good choices includes

- Doctors in private practice

“I can couch all of our Libertarian positions in terms the small business owner can understand and relate to – drug war, education, guns, taxation, regulation, government interference, immigration”, said Mark. “When you stand for small business, you stand for America”.

Moreover, small business owners are optimistic and generous, which are not negatives for us.

And this plays to one of our greatest strengths, our belief in market-based solutions.

This encapsulation moves us away from presenting our ideas in our normal fashion. “You can't sell when you're angry, and we're pissed off people. You can only sell when you're in love, and these small business owners are in love with their customers. They're in love with what they do. They have a passion for it. To them money is secondary”.

For this reason, the “non-voter”, the “iconoclast”, and so on are not well defined constituencies. Moreover, we can't identify them for marketing purposes.

The D's and R's have no credibility with small business owners. The R's have co-opted them because there has been no one to stand up for them, but they abandon them in all of their legislation and actions.

Then Mark asked, “And who in this room are small business owners?”

Virtually the whole room raised their hands.

Mark also noted some studies at the University of Chicago. IBM and Apple are the dominant computer designs. As a runt the market allows for two dominant players. However, the market does allow for niche players. We are a niche in the political arena. The UC studies showed, however, that the dominant players typically get overtaken by niche players, and the transition can happen in a hurry. Mark feels the cross over points are beginning to appear now. This means we have an incredible opportunity.

The National Federation of Independent Businessmen has 600,000 members,

A final question deals with the requirement to not drive anybody away with our support for small businessmen.

We may not attract government employees with this strategy, but then they're not likely to be very libertarian anyway. (Arguable, since in MO there are at least four solid libertarians who are or have been government or state college employees).

We might proceed in this way, adding additional constituencies kind of like a frog jumping from lily pad to lily pad. What is it we want to get? Credibility, respectably, influence. What do we give back to them? H-o-p-e.

In so doing, our focus will change from stressing issues to constituencies. And we will change the tenor of our rhetoric – not yell and scream – changing the tone, not the substance.

Aaron Starr (CA) moved “to go forward with this proposal, to recommend to the LNC to support the branding strategy that supports small businesses as outlined by Mark”. The motion passed by a solid majority.

Drug War Strategy, Ron Crickenberger

Ron Crickenberger discussed the relatively controversial issue of maintaining the failed War on Drugs as a leading issue for the Party. Ron noted the SPT voted 2-1 to keep this as a prominent issue.

Ron noted, “We own the Drug War”. Moreover, it is better for us than taxes, war, or other issues. Accordingly, we “Might as well run on it”, he stated.

According to polls, 74% say the War on Drugs can never be won, and 80% say the Drug War is lost.

Moreover, Ron noted that Drug War candidates typically do better than those who candidates who do not emphasize the Drug War.

The Drug War issue has brought in memberships and secured additional donations through headline initiatives such as the “Bump Bob Barr” campaign in GA.

“The medical marijuana issue gives us good coverage”, Ron explained.

MI is recognizing its incarceration expense from the Drug War. With declining revenues, MI is releasing prisoners. And federal government programs to review federal government programs have labeled drug interdiction “a complete failure”.

The Drug War is a moneymaker for the Libertarian Party. It brought 750 new members last year and along with it money specifically earmarked for this.

Finally, the Drug War message plays well with students.

Ron noted one website enhancement under consideration is to show a “thermometer” on the national website indicating the relative sizes of contributions earmarked for various political issues. The War on Drugs thermometer reading remains “hot”.

While sentiment for keeping the Drug War on the front burner remains strong, another component of the Party thinks otherwise.

Steve Givot stepped in with another “intentional dialog” to help clarify the positions of the diverging factions.

The issue the group addressed was: “The LP should stop giving primary emphasis to the Drug War”.

Three sets of “sentiment polls” were compiled as the intentional dialog progressed: Before, intermediate, after.

	Strongly agree	Tend to agree	Middle or No Opinion	Tend to disagree	Strongly disagree
Before	8	5	3	6	9
	25.8%	16.1%	9.7%	19.3%	29.0%

Sean Haugh and Mark Rutherford performed the intentional dialog

Mark: *The primary emphasis by national on the war on drugs has too high of negatives to our candidates*

Sean: *Mirrored. Did I get it?*

Mark: *Almost. Emphasize national.*

Sean: *Mirrored and got it. More?*

Mark: *National is not in position to take credit for winning the War on Drugs.*

Sean: *Mirrored and got it. More?*

Mark: *This is an issue better dealt with by the many excellent advocacy groups*

Sean: *Mirrored and got it. More?*

Mark: *The LP, because of all the other groups are narrowly focused, does not own the issue*

Sean: *Mirrored and got it. More?*

Mark: *The strategic plan should be looked at as a whole*

Sean: *Mirrored and got it. More?*

Mark: *The documentation behind the strategy suggested long term and coalition building*

Sean: *Mirrored and got it. More?*

Mark: *Focusing on any issue to the extent we do with the War on Drugs, gives a state chair same level of complaints from candidates about national’s interference.*

Now Sean and Mark reversed roles.

Sean: *Any issue that will have a large political payoff will be controversial*

Mark: *Mirrored and got it. More?*

Sean: *We will face internal and external dissent if the issue is worthwhile*

Mark: *Mirrored and got it. More?*

Sean: *Conversely, there is no issue worth fighting for if we can avoid the controversy from the beginning*

Steve Givot now framed the issue

- Is this an avoidable burden, or necessary cost?
- And are the benefits worth the cost?

Sean: *It is important for national party to select unique, important issues*

Mark: *Mirrored and got it. More?*

Sean: *I believe the War on Drugs is particularly good issue, and more popular with people than they may care to admit*

Mark: *Mirrored and got it. More?*

Sean: *Standing up against the War on Drugs conveys the image that the LP is a party of courage, and an advocate for those are afraid to speak, inside and outside the party*

Mark: *After two iterations, got it. More?*

At this point Steve Givot clarified that the issue was now one of getting the biggest bang for the buck.

Sean: *Through our efforts we have greatly moved the debate from the fringe onto the mainstream because we advocate the end of the WOD. There are no crack vending machine scares, no automatic assumption that we are drug users.*

Mark: *After two iterations, got it. More?*

At this point, the group voted again to see if there was any shift in sentiment.

	Strongly agree	Tend to agree	Middle or No Opinion	Tend to disagree	Strongly disagree
Intermediate	11	4	3	6	8
	34.4%	12.5%	9.4%	18.8%	25.0%
<i>Before</i>	<i>25.8%</i>	<i>16.1%</i>	<i>9.7%</i>	<i>19.3%</i>	<i>29.0%</i>

At this point Aaron Starr (CA) replaced Mark.

Sean: *We have made significant progress in 6 years and are now on the verge of a breakthrough*

Aaron: *Mirrored and got it. More?*

Sean: *We have been successful in attaching the LP to the War on Drugs issue, and when we're on TV or radio people need to know we are behind that issue*

Now Kevin Houston (MN) substituted for Sean.

Aaron: *I believe the War on Drugs is a symptom of a bigger problem, and not the problem itself*

Kevin: *Mirrored and got it after an iteration. More?*

Aaron: *I believe the War on Drugs is a result of the government being too big. If there were no War on Drugs, the government would inflict itself on some other group*

Kevin: *Mirrored and got it after an iteration. More?*

Aaron: *I believe that going down this path is a dead end*

Kevin: *Mirrored and got it. More?*

Aaron: *I do not believe we can build a winning constituency on this issue because it is not very important to many people and few people benefit*

Kevin: *Mirrored and got it. More?*

Aaron: *Our emphasis on this is harming our ability to raise money, because this constituency does not have much money to give*

Kevin: *Mirrored and got it after an iteration. More?*

Now Kevin and Aaron switched roles

Kevin: *I believe the positives to our party are greater than negatives*

Aaron: *Mirrored and got it. More?*

Kevin: *Issue groups do not put candidates on the ballot. When we champion this issue, we gain their support – we will reap the benefits of more votes*

Aaron: *Mirrored and got it. More?*

Kevin: *We are already identified as the pot party, and running away from it will not take away the brand, while championing it would allow us to take the credit*

Aaron: *Mirrored and got it. More?*

Kevin: *Running from it will hurt us more than sticking with it.*

Aaron: *Mirrored and got it. More?*

Steve Givot summarized. From Aaron, he heard the War on Drugs was a “symptom” and was hurting us financially.

From Kevin, Steve heard that we would get those votes from issue groups, and abandoning them would shoot ourselves in the foot.

To finish this session, the discussion turned to anecdotes and experience on the relative costs versus benefits of the War on Drugs issue. The following is a sampling from that discussion.

John Babiarz (NH) who ran for governor, said a police officer called a radio show he was on to say that in his professional experience, “we were right”. Unfortunately, on TV, the

question you may get is, “you believe in giving drugs to kids, don’t you”? John called for a “reality check”.

Shelly Tamres (VA): since 9-11, makes us look frivolous.

Brad Klopfenstein (IN): “This kills our candidates in Indiana and follows us everywhere”

Jason Auvenshine (AZ): “ The Drug War issue appeals to the left, and drives them away on the right”.

Phil Miller (IN): “This may not be popular, and I may get hurt by this issue, but at least I’ll know I’m doing the right thing”.

Brendan Trainor (NV): Phyllis Schlafly’s people came to NV for a 3-day debate. We got them to soften their resistance. They sent a letter to their constituents and while they did not endorse the initiative, they did not fight it anymore. This can be a winning issue.

Judge James Gray, Libertarian Party Presidential Candidate: “We can double our membership if we are known to stand against the War on Drugs” .

Final vote.

	Strongly agree	Tend to agree	Middle or No Opinion	Tend to disagree	Strongly disagree
	11	3	3	4	10
After	35.5%	9.7%	9.7%	12.9%	32.3%
Intermediate	34.4%	12.5%	9.4%	18.8%	25.0%
Before	25.8%	16.1%	9.7%	19.3%	29.0%

The bottom line? We ended up more dispersed and more polarized.

However, everyone seemed to be in agreement that stating our position as “the Drug War does more harm than good” is less controversial than it was before.

BCRA, Sean Haugh

Bi-Partisan Campaign Reform Act.

Yes, it is bi-partisan and it does apply to us – the D’s and R’s are one party.

Sean Haugh, relying on research conducted by the NC Treasurer Bob Dorsey, presented the thicket called the BCRA.

Sean’s assumption was that most states would prefer to report less to the government than more and perform fewer tasks rather than more. He suggested ways to accomplish that.

Certain states said they would gladly perform the extra reporting and other tasks instead of constantly trying to manage expenditures to remain under the reporting threshold.

And all of this may be moot by the summer if the Supreme Court strikes down the BCRA. However, what's perhaps more likely is some of the BCRA would survive.

Sean started by noting the FEC “only takes action against those that get complaints”. The FEC has neither time nor resource to hunt for violations. Moreover, “You can call them anonymously for advice”.

The prominent change affects the national party by banning soft money accepted from Nov 6, 2002 onward. National parties can now only accept money from other federal committees and individuals.

In order for a state affiliate to send a check to national, it must have a federal committee bank account set up.

At the moment, there are only eight states that can send a check to national. The others must establish a separate federal account, unless they are willing to have their entire operations subject to the federal restrictions and reporting requirements.

This is a steadfast rule. There are checks at national from states for membership that are simply sitting there, uncashed, awaiting further rulings from the BCRA or replacement checks from states. They are labeled as ‘writeoff’. Dianne Pilcher reports the memberships have been established.

The next consideration is limits, which trigger reporting requirements. One Thousand dollars in either spending or receiving in a calendar year is the threshold for a ‘political committee’. At that point, a political committee must file with the FEC.

It is important to recognize an accounting principle involved. Only the political committee initiating a transaction recognizes the amount against its limit. That is, UMP receipts by states do not count against their threshold limits. UMP transactions initiate with national, not with the recipient states.

Transfers are also problematic. Think of federal accounts and state accounts as ‘domains’. You cannot transfer funds from a non-fed account into a fed account. (Recall the initial precept that fed accounts can only be funded by individuals or other fed accounts). You can transfer money from a fed account into a non-fed account.

What this implies is UMP funds coming from national deposited into a state’s regular account cannot be then transferred into the state’s fed account. *Instead, states should take their UMP payment as a check, deposit it in their federal account, and then transfer any portion they desire to their non-federal account.*

When fundraising, include a disclaimer: “The funds we raise here may be used for federal election activity” if you intend to put any of the proceeds into your federal account.

From here, the matter intensifies.

Even though your state may never reach its reporting threshold, beware. The law also governs “activity connected to elections where federal candidates appear on the ballot” and, get this, “federal election activity, even where no federal candidates appear on the ballot”. This includes:

- Voter registration within 120 days of a regularly scheduled election (such as sending out an inquiry packet that includes a voter registration form). This applies to general elections, not primaries.
- Get out the vote activity and voter identification, defined as taking any steps to identify voters beyond contact information, where a federal candidate appears on the ballot
- Public communications including TV, phone banks, and radio identifying candidates (note: specifically does not include the Internet)
- Payment for state and local employees devoting more than 25% of their time to federal elections.

These four bullet points constitute the core FEC definition of “federal election activity”.

This law does NOT govern administrative costs, contributions to local candidates, voter registration drives more than 120 days before an election, conventions, websites.

The allocation of administrative costs between federal and nonfederal accounts is established in the Federal Elections Act that established the FEC, and thus predates the BCRA. This is a level of complexity that states only need to worry about if they are involved in significant levels of federal election activity.

“Levin funds” are a new type of funds created under BCRA. They can be used to pay for the items listed above as “federal elections activities.” Once you establish your separate federal bank account, you can safely reclassify your regular account as a combined non-federal/Levin funds account. All contributions received from fundraising letters and pledges, except those amounts that exceed \$10,000 from any contributor in one year, qualify as Levin funds.

Under BCRA, most if not all states will have lots more Levin funds than they would need. If ever questioned about the use of Levin funds, all you have to do is show through a reasonable accounting method that you had enough in your combined non-federal/Levin account to cover the expenses related to federal elections activities.

The law also provides for exemptions. These include volunteers distributing literature, voter registration drives on behalf of Presidential and Vice-Presidential nominees, or listing federal candidates on websites.

Sean recommends having a separate small account for sending money to national, or to engage in federal activities. Sean recommends we avoid meeting that \$1000 threshold.

Additional resources include

- The Dorsey memos (Bob Dorsey NC Treasurer who distilled the law and translated it into English) are available below or from Sean Haugh at director@lpnc.org.
- BCRA FAQ. Sean will also have a BCRA FAQ available by the first week of March.
- Some Facts About State and Local Political Parties and the New Federal Campaign Finance Law," from The Campaign and Media Legal Center, <http://www.camlc.org/attachment.html/statelocalBCRA.pdf?id=415>;
- The "BCRA Campaign Guide Supplement", the FEC's definitive report on new rules made to enforce BCRA as of January 2003, <http://www.fec.gov/pdf/guidesup03.pdf>
- "The FEC's Soft Money Rules," a resource just discovered from the Center for Responsive Politics, giving an excellent breakdown of how BCRA affects state and local party fundraising, <http://www.capitaleye.org/FECsoftmoneyrules.asp>.

As a result of BCRA, some states may adopt "UMP2" as a means of limiting payments to national. Under the Unified Membership Program, of a \$25 membership national returns \$1 per month per member to the states. This requires a state to transfer \$25 to national for a member. Since the state is the initiator, it counts against the \$1000 threshold.

Under UMP2, a state would keep \$12 up front and never send it to national. Thus only \$13 per membership is transferred to national, and is counted towards your state's \$1000 filing threshold for expenditures.

While the BCRA would still apply, a state would be able to forward more new member dues before the threshold is reached.

While BCRA remains obnoxious for the Libertarian Party, it is compounded for the D's and R's. BCRA compliance is presumably much more difficult for them. This provides a great opportunity for us to register the violations of our D & R friends with the FEC, and inflict a most richly deserved and condign punishment on them all.

Elections, Ron Crickenberger

Since 1993, the Libertarian Party has enjoyed continuous growth in its number of candidates and electoral victories. Ron Crickenberger provided graphs that illustrated the trends.

The Libertarian Party lacked the money in 2002 to achieve its goal of 2000 candidates. The current membership decline “may hurt us in the next election cycle”, according to Ron.

The LNC will consider ballot access at its upcoming meetings. The LNC may not be committed to 50 state strategy. The four most expensive states for ballot access include OK, OH, WV, AL. And OK’s petitioning must be done this year or the Libertarian Party must secure an even greater number of signatures next year. This “OK snowball effect” if carried into 2004, robs petitioners from the activities slated for next year. Signatures range from 67 cents per signature in OH to double that if conducted in OK at last minute.

The alternatives the LNC will consider include hiring lobbyists to change the laws or filing suit. In the past, both lawsuits and lobbying have helped ameliorate if not eradicate the problem.

Brainstorming ideas for elections and ballot access:

- Lobbying to change laws
- Offer no money for non winnable races, with exemptions for key ballot access states
- In non-winnable elections focus on membership
- Combat the wasted vote syndrome¹ – support independent runoff voting, IRV
- States who get ballot access drive money must have a plan to eliminate that hurdle forever
- Success 99 and candidate training (Note: Ron Crickenberger plans on making the LP website more ‘functional’ for candidates)
- Links on national site to all candidate training sites and resources
- Expand “Operation Breakthrough” (CA)
- Expand “Operation Gator Bite” (FL)

Several points emerged from the ensuing discussion. One was a call to “do the research”. Many races are unopposed. Many positions are appointed. These are low hanging fruit.

Is there an “updraft effect” of running a full slate? Anecdotally, a full slate tends to do better. And local candidates seem to do better in a full slate. So the answer to the question of whether it is better to run a full slate or to focus, is “yes”. Do both. And start early!

¹ The author did not discuss the “wasted vote syndrome” at the conference because it did not fit into the discussions at the time. However, the Libertarian Party should own this issue. Clinton’s last budget was \$1.84T. Bush’s first was \$1.96T, then \$2.12T post 9-11, and now up to \$2.23T. Do the math. That’s \$150 more spending per family of size four PER MONTH in Bush’s first year when he had both houses of congress, then \$200 on top of that in the second year. All told, the budget’s spending is up \$450 per month for every family of size four. You, your children, our grandchildren and I will have to pay for that. I voted for Harry Browne and voted for what I wanted. Those that voted Bush for limited government utterly wasted their votes.

With training programs such as Success 99, the programs work best when a locale ‘wants’ the event. Gerhard Langguth (AR) recommended we bring attendees to an LNC meeting for such training.

Others such as Aaron Starr (CA) recommended we outsource training looking for alternative service providers. *Campaigns and Elections* provides the Cadillac of training courses, though they may be beyond our league at this time.

Wrap up

During the final round robin wrap up, Mark Schreiber’s branding presentation emerged as the best part of the conference with the Sean Haugh’s BRCA explanation a distant second.

Several individuals mentioned having breakout sessions as a means of engaging the participants, fostering mentoring and providing additional benefits. Mark Nelson pledged to consider and likely adopt that practice for next year.

The “intentional dialog” sessions attracted several negative responses.

Special kudos went to Mark Nelson for his masterful navigation, Dianne Pilcher for her diligence and Nancy Neale for her unheralded work behind the scenes, including the Liberty birthday cake on the 22nd for our Chair, her husband Geoff.

Alliance of State Chairs

In the final order of business, the group agreed to form an “Alliance of State Chairs”.

This group will operate under bylaws independent of the Libertarian Party. Accordingly, this group will enjoy operating privileges different from the Party’s. It will be in position to lend assistance in a variety of ways that it would not otherwise be available to do were the relationship a subservient one.

Sean Haugh is the coordinator. Steering committee members include Chuck Williams, Jeremy Keil, Michael Gilson, Ray Ledford, Gerhardt Langguth, Brad Klopfenstein, Mark Rutherford, Mark Nelson and Sean Haugh.

Next year’s convention? Rumor is:

Durham, NC.

Be there or be a right-angled rhombus.

Extra Sessions

Ted Dunlap on infighting

Chuck Sallier on fundraising. See also the 2002 State Chair's Meeting notes.
Michael Gilson - EALO (Elected and Appointed Libertarians in Office)

Notes from these sessions are unavailable.

The Dorsey Memos on BCRA

Bob Dorsey, North Carolina Treasurer, produced the following information after having researched BCRA.

Memo 1, Recommendations

From: "B. Dorsey" <viola4@earthlink.net>

To: "ecLPNC" <ecLPNC@yahoogroups.com>

Sent: Monday, October 21, 2002 4:39 PM

Subject: [ecLPNC] Recommendations for LPNC Compliance with BCRA

Folks, below are my recommendations and the actions required for us to comply with FECA and BCRA.

Summary...

- 1) Request National send us our UMP payments via check rather than via electronic deposit.
- 2) Open a separate bank account to serve as a Federal Account.
- 3) Seed this account with a small contribution to cover expenses from 11/6 to 11/15.
- 4) Payments to National starting on 11/6 must come from the Federal Account.
- 5) Payments for allocable expenses starting on 11/6 must come from the Federal Account.
- 6) Deposit the 11/15/02 UMP check into the Federal Account.
- 7) Register with the FEC when we exceed the \$1000 registration threshold (estimate 3Q/03)
- 8) Once registered with the FEC, file reports as required.
- 9) Classify our existing bank account as a combined Non-Federal/Levin Account.

10) Avoid engaging in certain types of Federal Election Activities (FEA) that must be paid solely with Federal Funds.

11) Pay for the other types of FEA with Levin Funds, not with Federal Funds.

12) Maintain a reasonable accounting method to be able to demonstrate that sufficient Levin Funds were available to pay for these types of FEA at the time each payment was made.

Details...

The Bipartisan Campaign Reform Act (BCRA) becomes effective on 11/6/02 and will impact LPNC in several areas. First, it requires National to be 100% Federal Funds based, meaning they can only accept and expend Federal Funds. This impacts us because any money we now send to National, for any purpose whatsoever, must now be Federal Funds. Mostly we just send them membership dues from new members joining through the Thomas Paine Fund [a discount program for new memberships funded by LPNC].

The problem right now is that LPNC doesn't have any Federal Funds to send to National. However, the requirement that National be 100% Federal Funds based provides a solution. Namely, any UMP payment after 11/6/02 will be Federal Funds so we can use these funds to send membership dues to National.

My recommendation is for us to set up a separate bank account that will be exclusively Federal Funds. Into this account we can deposit one or more UMP payments starting with the 11/15/02 UMP payment. My intention is to seed this account with a personal contribution in order to cover any payments needed between 11/6 and 11/15. This contribution will be Federal Funds because it will comply with all requirements of the Act, including the solicitation requirements which as Treasurer I am fully aware of.

An alternative would be for us to continue to maintain a single account but this is not as clean an alternative from an accounting perspective, and when we do cross the \$1000 registration threshold and become a Political Committee (see next paragraph), this alternative would bring all our finances under the FEC umbrella along with its additional restrictions. Specifically, it would limit individual contributors to \$10K/year (including loans) and I'm not sure but it might even force us to receive only Federal Funds from county affiliates and local and state candidates.

Another reason for two accounts is that the FEC rules are very confusing and complex and having more funds subject to these rules just increases the likelihood of fines and penalties. Finally, we will need to spend Levin Funds on certain types of FEA that we engage in (more on this below) and BCRA does not allow a single account to combine Federal and Levin Funds. So the best option for us is to set up two accounts with one account functioning as a combined Non-Federal/Levin account and second account that is a Federal Account.

The act of opening a separate Federal Account does not by itself require us to register with the FEC. Only when the registration threshold (\$1000 in "contributions" or \$1000 in "expenditures" in a calendar year) is reached is registration required. The good news is that a transfer of Federal Funds only counts toward that threshold for the committee making the transfer, not the committee receiving the transfer. So, the UMP payments we receive do not count toward the registration requirement. Only when we have sent National more than \$1000 in one calendar year will we have to register. If the current rate of new members joining through us continues, we will need to register with the FEC sometime in the 2nd half of next year. The new UMP program requires us to send just \$13 to National instead of \$25 so it will delay the registration day a while (hopefully into 2004!). Only the Federal Account will be registered and only activity in that account will need to be reported.

The act of sending funds to National means we are engaging in federal activity which in turn requires us to pay for certain types of expenses that indirectly support federal candidates with entirely Federal Funds, or allocate these expenses between federal and non-federal and pay only the federal portion with Federal Funds. These expenses must be paid from the Federal Account and then if we choose to allocate, the non-federal portion may be transferred from our Non-Federal Account to our Federal Account. Because we will have plenty of Federal Funds (from UMP payments), it will probably be easiest to forgo doing the transfer and just pay for it all with Federal Funds.

The main expense that we will need to allocate is administrative/overhead costs such as rent, utilities, office supplies, etc. I'm not sure at this time but we may also need to allocate some other types of expenses. Payment for these allocable expenses do not count toward the \$1000 registration threshold.

BCRA defines certain activities, at certain times, to be "Federal Election Activities" (FEA). Some types of FEA must be paid solely with Federal Funds. Other types of FEA can be paid with Federal Funds or Levin Funds or a mix of Federal/Levin Funds. Importantly, we can not use any Federal Funds transferred from National to pay for any FEA. This means that the only way for us to engage in those FEA that must be paid solely with Federal Funds is to open a second Federal Account and raise the Federal Funds for this account ourselves. I do not anticipate this will be necessary because the types of FEA that must be paid solely with federal funds are not activities that we engage in at this time. Specifically these activities are 1) a public communication that refers to a clearly identified federal candidate and that promotes, supports, attacks or opposes any federal candidate; and 2) services of an employee who devotes more than 25% of his compensated time to activities in connection with a federal election.

To a small degree, we do engage in those other types of FEA that may be paid with Levin Funds. This will not be any problem because on 11/6/02 practically all our funds will be Levin Funds (all contributions from fundraising letters and pledges are Levin Funds). It does mean however that our current bank account will function as a combined Non-Federal and Levin Account (which is permissible). This in turn means that we must keep records and be able to demonstrate through a reasonable accounting method that we had

sufficient Levin Funds on hand to cover each payment for FEA at the time each payment was made. I don't anticipate any problem being able to do this.

Well I think I've covered everything but FECA/BCRA is so complex I can almost guarantee that there will be some more consequences and implications that I haven't considered. Stay tuned. If you have any questions please ask.

Bob

Memo 2, Definitions

From: "B. Dorsey" <viola4@earthlink.net

To: "ecLPNC" <ecLPNC@yahoogroups.com

Sent: Monday, October 21, 2002 4:26 PM

Subject: [ecLPNC] FECA and BCRA Definitions

Folks, here are some terms and their meanings as they apply in FECA and BCRA. This will help in understanding my recommendations (which will follow in another note) for ensuring that we are in compliance with these laws.

1) FECA: Federal Election Campaign Act (the "Act"). Currently in effect. Remains in effect after 11/6/02 but some parts are modified by BCRA.

2) BCRA: Bipartisan Campaign Reform Act. Becomes effective on 11/6/02 by modifying FECA.

3) Political Committee: A political organization that during a calendar year raises more than \$1000 in "contributions" OR spends more than \$1000 in "expenditures."
"Contributions" and "expenditures" must be given/made for the purpose of influencing a federal election. When a political organization becomes a Political Committee, it must register and file reports with the FEC.

LPNC is not a Political Committee at this time.

4) Federal Funds: Funds that comply with the limitations, prohibitions and reporting requirement of the Act. Also known as "hard money".

LPNC does not currently [as of 10/21/02] have any Federal Funds.

5) Non-Federal Funds: Funds not subject to the Act. Also known as "soft money".

LPNC currently has exclusively Non-Federal Funds.

6) Levin Funds: A new type of funds creating under BCRA. Levin funds are subject to some requirement of the Act and some additional requirements in BCRA. Can be used to pay for certain type of FEA (see below). Named after the legislative sponsor of the amendment that created these funds.

All contributions we receive from fundraising letters and pledges, except those amounts that exceed \$10,000 from any contributor in one year, are Levin funds. On 11/6/02 much of our funds will be considered Levin Funds. Under BCRA, we will have lots more Levin funds than we will need.

7) FEA: Federal Election Activities. This is a new class of activity defined in BCRA and means any of the following activities:

- a) Voter registration activity during the 120 day period prior to a federal election.
- b) Voter identification, generic campaign activities, and GOTV activities in connection with a federal election.
- c) A public communication that refers to a clearly-identified federal candidate and that promotes, supports, attacks or opposes any federal candidate.
- d) Service provided by an employee who spends more than 25% of his compensated time during a month on activities in connection with federal election.

Although a large part of BCRA deals with FEA and the new Levin funds, LPNC only engages in a very limited amount of FEA and we will have plenty of Levin funds to pay for these expenses. The primary impact of BCRA on us will be unrelated to these issues.

8) "In connection with a federal election" means that time period between the earliest filing deadline for the primary ballot for federal candidates to election day. In N.C. this is about 9 months out of the 2-year cycle.

9) "Voter registration activity" means contacting individuals by telephone, in person or by other individualized means to assist them in registering to vote. This includes simply sending them a voter registration form.

10) "Voter identification" means creating or enhancing voter lists by adding information about voters' likelihood of voting in a particular election or voting for a particular candidate.

11) "Generic Campaign Activities" means a public communication that promotes a political party and does not promote or oppose a clearly-identified federal or non-federal candidate.

12) "GOTV Activities" means contacting registered voters by telephone, in person or other individualized means in order to assist them in voting. This includes providing individual voters, within 72 hours of an election, with information about when and where polling places are open as well as transporting or offering to transport voters to polling places.

13) A "public communication" means any communication by means of TV, cable, satellite, radio, newspaper, magazine, billboard, mass mailing, telephone bank of any other form of general public political advertising. Communications over the Internet are specifically NOT included in the definition of public communication.

Miscellaneous

- A list of useful web sites for Libertarian Party information, compiled by Joe Dehn.

General website	www.lp.org
LP archive site	archive.lp.org
LPUS Library	www.dehnbase.org/lpus/library/
LNC Meeting Summaries	www.dehnbase.org/lpus/library/meetings.html
LNC Official Minutes	archive.lp.org/lnc/
LNC Audio Recordings	www.dehnbase.org/mav.cgi
Strategic Planning	www.dehnbase.org/lpus/library/spt /

Errors and Omissions

These are the notes as I took them at the Houston Libertarian Party State Chairs conference, embellished for readability and submitted to others for review. If you spot an omission, a lack of emphasis, or other error, contact me at:

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